



## MEMORANDUM

To: Jim Brennan  
From: Greg Easton  
Subject: Juanita Beach Park Master Plan  
Economic Opportunities Analysis  
Date: April 18, 2005

## BACKGROUND:

The City of Kirkland is developing a new master plan for Juanita Beach Park. Among several goals identified to guide the overall master plan, are three goals related to potential revenues:

- Develop revenue opportunities that can contribute funds for operation and/or the development of the Park.
- Include commercial activities that enhance the experience of Park users and fit the Park's character.
- Attract users that can support other businesses on the surrounding commercial districts.

A Citizens Advisory Committee has recommended that commercial activity in the park be limited, but that several program elements with revenue potential be included:

Non-Motorized Boat Rental Facility

Amphitheater/Bandstand

Small Concessions

Forbes House Rentals

The revenue potential for those uses is evaluated in this memo. The evaluation addresses the nature of each use, experience elsewhere, and general conclusions about the potential. Revenue projections will be prepared for selected uses in the next phase of the Master Plan.

# NON MOTORIZED BOAT RENTAL

## DESCRIPTION:

Storage and launch space would be available for kayaks, sailboats and rowing shells. Activities could include rentals, classes, and storage of private boats. Facilities would include administration space, secured storage, and a launch float.

## EXPERIENCE ELSEWHERE:

There are several facilities in King County offering these services.

**Seattle Parks Department Mt. Baker Rowing and Sailing Center and Green Lake Small Craft Center.** The City of Seattle offers boating centers at both Green Lake and at Mt. Baker on Lake Washington. Both offer rowing and sailing classes and events. Green Lake also offers kayak and canoe classes and events, while Mt. Baker also offers windsurfing. Programs at both locations are provided through non-profit advisory councils. The councils provide all operating equipment and instruction. The City provides building maintenance, a director and assistant director, and building utilities. A portion of the class and event fees is returned to the City. At each center, the City gross expenditure are approximately \$175,000, of which \$100,000 is recovered from Council fees. The balance of approximately \$75,000 is provided from the City General Fund. The Advisory Councils supplement their class fees with fundraising and volunteer services. The boating centers are open year-round.

**Green Lake Boat Rental.** A private company provides rentals of canoes, paddle boats, and row boats on the east side of Green Lake near Evans Pool. This facility is open in the summer only. It is operated by Good Sports under a five year contract. The City provides the land and building (and parking) and receives 13 percent of gross revenue.

**Cascade Canoe and Kayak Center.** This private business operates facilities at Enetai Park in Bellevue, and at the mouth of the Cedar River in Renton. The cities of Bellevue and Renton provide buildings for boat storage and administration (1,800 square feet in Renton and 2,400 in Bellevue). The fleet at Enetai has approximately 80 boats, and the fleet at Renton has 50 boats. The City of Renton receives \$200 in base rent per month or a percentage of gross revenue (8.5 percent of rentals and trips and 1.5 percent of retail sales). Payments to the City are as high as \$2,000 per month during the peak months.

**Northwest Outdoor Center.** This private operation on the west side of Lake Union is open year-round and offers kayak rentals, classes, and trips. The Center has a fleet of 80 boats. The Center does most of its business on summer weekends between July 4 and mid-September. The Center rents space from a private landlord.

**Agua Verde Paddle Club.** The Paddle Club is located on north Lake Union and is a part of Agua Verde restaurant. It's open between March and October each year and has a fleet of 35 boats. Weekend days and Friday nights are the busiest times of the week.

## **CONCLUSIONS**

Small boat rentals are a popular activity at waterfront sites throughout the area. The major challenge for these activities is their seasonality. These conditions can be offset somewhat by aggressive programming and event activity. Such activity is often demonstrated by committed non-profit advisory councils or private ambassadors of the sports. The agreements that Seattle, Renton, and Bellevue have entered, take advantage of this attribute. Such an approach can minimize the cost impact to a City, if not provide a modest net revenue.

Juanita Beach offers a waterfront setting in relatively protected waters. It is a desirable location for small boating activity.

## **AMPHITHEATER/BANDSTAND**

### **DESCRIPTION**

The Amphitheater would include a covered bandstand and lawn seating. The facility could be designed to host a range of events that are free to the public or to ticket holders only. In the latter case, the facility would have to be designed to provide some buffer between events and other park activities.

### **EXPERIENCE ELSEWHERE**

Parks and recreation departments throughout the region offer performances and community events. For example, the City of Bothell offers a concert series at the Bothell Landing amphitheater, with events every Friday night in July and August. These events are free to the public and do not generate revenue for the City.

An amphitheater can also host concerts with well-know entertainers and be available to ticket holders only. There are several examples of these types of venues in the region, including large amphitheaters with seating for 20,000 at White River and the Columbia Gorge, and smaller facilities with seating for 3,000 to 5,000 at Marymoor Park, Chateau Ste. Michelle, and the Seattle Waterfront (Summer Nights at the Pier concert series). The Marymoor Park series is a good example of the revenue generating potential of an amphitheater facility in a public park.

The Concerts at Marymoor series began in 2003. A specialized facility offering seating for 5,000 (including 600 reserved seats) on a 1.2 acre site. The facilities include a covered stage, sloped grassy seating, concession stands, and permanent restrooms. The

2005 series offers ten concerts including artist such as Garrison Keillor, Natalie Merchant, and the Steve Miller Band. The series is operated by a private presenter. King County receives approximately \$20,000 to \$25,000 per concert in rental payments, share of concession income and parking fees.

## **CONCLUSIONS**

An amphitheater with seating for 3,000 to 5,000 can attract well-known performers, command high ticket prices and generate a revenue stream to the facility owners. However, such a facility requires significant investment in specialized performance and audience features. Juanita Beach would certainly be an attractive venue for such events, but they may not be compatible with other park uses, and neighboring land uses.

## **SMALL SCALE CONCESSIONS**

### **DESCRIPTION**

A small scale concession facility could take the form of a food and drink cart or a small building.

### **EXPERIENCE ELSEWHERE**

Food and drink carts are a common point of sales in urban areas. They are also a cost-effective means of providing food and beverage service at recreation facilities. The City of Seattle Parks and Recreation Department has an agreement with Health Fare to operate a cart near Evens Pool at Green Lake. The City collects 22 percent of the gross sales. Such a business is highly seasonal and heavily dependant on good weather. A mobile facility reduces the initial capital investment and risk of such activity.

A successful food cart can generate \$250 to \$500 per day in sales of drinks and packaged food items. Gross sales of \$100,000 per year would be strong performance for a cart at a seasonal location.

By contrast, the City of Renton has a contract with Ivar's and Kidd Valley to operate a restaurant at Gene Coulon Park. The restaurants pay a total base rent of \$110,000 plus 12 percent of net sales over \$1.1 million, and \$20,000 to fund events held in the park. The agreement has been beneficial to both the restaurants and the City. Part of the success of the restaurants is due to the employment base in the immediate area. Prior to the restaurants lease, the same space was used by a concession operation that was not successful.

## **CONCLUSION**

A small food and drink cart is a cost-effective way to serve seasonal park users. A fixed facility to serve park users would likely not justify the investment. A fast food restaurant

serving surrounding residents and employees as well as park users would probably be successful, but would have to be evaluated against the City's overall objective for the park.

## FORBES HOUSE RENTALS

### DESCRIPTION

The existing Forbes House could be rented out on an event basis, or for a full-time tenant, either to the City or an organization with a mission compatible with the Park Department.

### EXPERIENCE ELSEWHERE

There are several examples of former residences in public parks that are available for rental as a meeting facility, or site for a reception.

	Capacity		Reduced Rate	
	Meetings	Receptions	Meetings <sup>1</sup>	Receptions <sup>2</sup>
<b>Clise Manor</b> (Marymoor Park)	65	325 Outdoor 170 Indoor	\$1,090	\$2,525
<b>Robinswood House</b> (Bellevue)	45	200 Outdoor	750	1,600
<b>Tibbetts Creek Manor</b> (Issaquah)	90	175 Outdoor 130 Indoor	375	1,575

1. Entire Facility

2. Entire Facility, Peak Season

The three facilities have several similarities:

- They are typically used during the week for meetings and on weekends for receptions.
- Use for receptions typically involves the grounds as well as the home itself. Tents are provided for the contingency of inclement weather.
- Receptions, particularly weddings, command a much higher rental rate than the meetings. The facilities are usually reserved for Friday nights, day and evening Saturday, and day and evening Sunday, throughout the summer.
- Tibbetts Creek reports that 90 percent of its revenues come from weddings.

These three facilities are popular for weddings because they can accommodate the typical wedding (reported by Hallmark to be 186 guests) and the outdoor grounds provide a comfortable environment and a popular setting for photos.

The facilities differ in terms of their operation and management. Both the Clise Manor and Robinswood are operated by Premier Properties. Premier Properties' contract with the City of Bellevue is for three years with a two year option to the City. The City is responsible for grounds maintenance and utilities, while the contractor is responsible for scheduling, janitorial services, event operations and marketing. The City keeps the following percentages of gross revenues:

Building Rentals:	45% of rents up to \$175,000 40% of rents above \$175,000
Use of City-Owned Tents:	35% of rents
Licensing Agreements:	35% of revenue from service providers.

The contractor keeps revenues from all over the counter food purchases, beer and wine sales, rental of contractor owned assets, service fees, and gratuities.

The City of Issaquah operates its own rental facilities, including Tibbetts Creek Manor, the Pickering Barn, and Issaquah Community Center. There is a staff member on-site full time at Tibbetts Creek, as well as two administrative staff for management and scheduling.

## **CONCLUSION**

Rental of the Forbes House for receptions and events could provide a greater revenue stream than for small meetings. However, such use would require that the buildings and grounds are suitable for such occasions. This would require a higher level of investment by the City. If the City chooses to make the Forbes House available for short-term rentals, it is likely that a private contractor could operate the facility and provide net revenue to the City. Alternatively, if the City has existing staff and resources available for such activities, it may be cost-effective for the City to operate the facility itself.